



Virginia Israel Advisory Board

Office of the Governor

Minutes of Board of Directors' Meeting

December 2, 2014

10:00 AM to 11:45 AM, House Room 2, Richmond, Virginia

Attended in Person: Aliza Asher, Irv Blank, Mary Rae Carter, Mel Chaskin, Delegate Eileen Filler-Corn, Will Frank, Aviva Frye, Joel Kanter, Julie Krachman, Larry Krakover, Chuck Lessin, Abby Moore, Dave Oblon, Ralph Robbins, Aaron Roberts, Richard Samet, Nathan Shor, Steve Wendell

Attended Via Conference Call: Mark Dreyfus, Fran Fisher, Tim Powers

1. Board Meeting Minutes from the July 29, 2014 meeting were presented. There were no comments.
2. Chairman Mel Chaskin reminded everyone to please fill out the "Conflict of Interest" state-required form. All 31 Board members must fill out the request sent out by the office of the Secretary of the Commonwealth (Levar Stoney). Forms are due December 15, 2014.
3. Mel Chaskin announced that at the first meeting discussing the Governor's 2015 fiscal calendar Mel requested a trip to Israel with the Governor and he accepted. The Governor's staff is looking at their schedule for November 2015. The Governor received the opportunity positively as this will be an Economic Development trip.
4. Executive Director Ralph Robbins welcomed everyone. He presented highlights in the Annual Report for Fiscal Year 2014: 172 new jobs have been created through the VIAB this year with nearly \$600K in VA tax revenue from those jobs. Since 2000, about 1800 jobs have been created, ROI of 519%. Ralph projects the possibility of 525 new jobs over the next 1 to 2 years.
5. Ralph presented the current projects that are works-in-progress in the fields of Agrotech, and in Manufacturing.
 - A. **Agrotech emphasis:** Opportunities are primarily located in Southwest VA.

- **Project Jonah:** In-land fish production in indoor pools under ideal conditions. This will be the largest facility of its kind in the US. VIAB has been working on it for 2 years. The company is applying for public funding and is in the process of raising the private equity portion of the financing. Ralph participated in a due diligence visit to Poland along with two leaders of the Tobacco Commission where the company has a two year old facility that mirrors the technology that will be deployed in the Virginia facility. Ralph pointed out that the facility in Virginia will be 20 times the size with more activity (i.e. feed mill, processing plant, hatchery- all of which they don't have in Poland). Ralph was very impressed with the facility in Poland. This is still a large funding project. The company hired a CEO from New York who comes to VA almost weekly. He has a lot of promising interest from private funders. The CEO brought these individuals to Poland as well (on a separate trip).
- **Project Sunshine:** Smart turn-key greenhouse project. This is really food manufacturing in polycarbonate structures; these are highly sophisticated units, each 2.5 acres. According to Ralph, this approach is a game changer since most commercial greenhouses need to be 17+ acres to be profitable. The Israeli company plans to start with a cluster of company-owned greenhouses: 3 units: two leafy vegetables, and a third for hydroponics. These are expected to be company owned, working demonstration sites. Farmers and supermarket chain buyers will be invited to these facilities. The VIAB organized in cooperation with the VEDP an intensive 9 day visit in SW Virginia and Richmond.
- **Update: Agrotech Commercialization Center:** Ralph reported that he is working with Tazewell County to possibly expand the center to that County. Ralph has met with the Tazewell Board of Supervisors and suggested that the BlueStone High Tech Park in Tazewell would be a great location for the Commercialization Center. Ralph added that Virginia Tech would have to be a partner in the Park for it to be successful. Discussions are being held about this via VIAB's Dr. David Kuhn.
- Upcoming event: Agritech 2015 Exhibition & Conference in Israel. April 28-30. Ralph Robbins will arrange targeted meetings to move this project along and he hopes to bring 2 people from Virginia Tech along for the conference. There will be meetings at MATIMOP and Volcani Institute.

B. Manufacturing emphasis of VIAB projects

- **Appalachian Biofuels:** Slated to create 40 new jobs in Russell County, with a \$3.5 million investment. Chuck Lessin, Vice Chairman of the VIAB, disclosed he is also an investor and the CEO in Appalachian Biofuels. Chuck stated that ASTP standards mandate that biodiesel be mixed in to petroleum diesel fuel under the Renewable Fuel Standards Act.

AB is doing this using an enzyme developed in Israel; add the enzyme to waste, refine it, and it produces biodiesel. Biodiesel has zero sulfur content and emits 50% less carbon dioxide than petroleum biodiesel. There is no heating in the production process and it requires only one manufacturing line; an eco-friendly process. AB has raised all the private equity already and funds from Tobacco Commission and VCEDA. AB had a ribbon cutting, Dec 3, 2014 in Russell County. Chuck projects that in about 4-5 months they will be producing & selling fuel. AB has plans to expand all over the country with headquarters always remaining in St. Paul, VA. They already received 80 applications and they are expecting hundreds to come in for the 40 positions available. Ralph suggested that this story be included in the VEDP quarterly publication. Ajay Sujamani (VEDP) will look into this.

- **Sabra:** Sabra opened their expanded facility in October. They have doubled their manufacturing capacity, creating 200 new jobs over a 2 year period. They have now created almost 600 jobs in total.
- **Chickpea R&D Update.** Ralph updated the Board on Virginia's chickpea R&D work based on Sabra's desire to purchase locally grown chickpeas: Virginia is in the 4th year of R&D with VSU—they are 1.5 years away from an expected rollout of a chickpea crop. This could employ 8000- 10,000 workers based on Sabra's level of demand for chickpeas. The roll out will take up to 6 years.
- **Project Lunchbox:** The Israeli Injection Molding company came for a tour of the area and decided on Emporia, VA; an area with one of the highest unemployment rates in the state. They'll be the 2nd Israeli manufacturing company in the area (Oran Safety Glass is there) and will create 80 jobs. This is an \$8.5 million investment. We look forward to an announcement in January. The company already has successful factories in Israel and France and has a major client base- Walmart, Bed Bath & Beyond, Container Store, Target. They will be utilizing a port in VA to bring in 500 containers per year (they currently use NJ Port). Nathan Shor, a commercial realtor, has been volunteering his expertise by answering commercial real estate questions that arise along the way.
- **Eco Tech:** VIAB has been working with them for 4.5 years. They recycle rubber tires into mesh, and now have a new process where they recycle rubber tires into new pure rubber; this is now 100% recycled rubber which has a much higher value. VIAB is helping them with their due diligence. Eco Tech is close to an announcement, hopefully within the next couple of months.
- **EPC** is an onsite waste treatment company that the VIAB has been working with for about ten years. We had several false starts, but received approval from the Department of Health for beta sites for individual unit homes in Fairfax County. This project is ideal for rural communities because it requires low energy usage and produces no odor during processing.

- **Project Bag-in-a-Box:** Chuck & Ajay brought the company on a tour in VA, after which they decided they want to be near a port. They want to return to visit VA and most likely will not come to a decision on location for about 12 months.
 - **Project Tahina:** Continuing talks with Sabra about their Tahina needs. A tahini plant here will create 40 new jobs. Sabra is now interested in developing sesame crop and harvesting it mechanically (not manually as it is done now; in Ethiopia and harvested by hand). Ralph will discuss this with Secretary Haymore when appropriate and more information is received from Sabra on their vision and needs.
6. **Minds in Motion-** Cultural Exchange: The Richmond Ballet works with Israeli and Arab 4th grade students to teach tolerance, self-confidence, equal participation, and inclusion through performance. Mr. Abby Moore, member of the Board, has been instrumental in facilitating meetings in VA to raise the necessary funding. This is a \$20K/year program. The VIAB has also facilitated the raising of funds in Israel. Ralph is confident the funds will be raised to continue the program this year. Aviva Frye added that she is facilitating the expansion of the Minds in Motion program in Bristow. Nathan Shor expressed that he is seeking support from all the local Federations for the Israeli program.
 7. Dates for upcoming Board meetings have been confirmed:
 - Tuesday, March 24, 2015
 - Tuesday, July 21, 2015
 - Tuesday, December 1, 2015.
 8. Ralph encouraged all of the board members to participate and invited everyone to call with questions or suggestions.
 9. There were no questions or comments at the closing of the meeting.

The meeting was adjourned at 11:45 am